

**OFFICE OF ATTORNEY GENERAL****INSURANCE FRAUD SECTION**
TOM CORBETT • ATTORNEY GENERAL
NEWSLETTER

Concealing Employment Lands Erie County Man in Jail



On September 9, 2009, Alfredo Johnson pled guilty to one count of Workers' Compensation Insurance Fraud (F3) in Erie County and was sentenced to serve 6 to 23 months incarceration followed by 2 years probation and ordered to pay restitution of \$12,853.24 and all court costs.

Johnson was injured at work at Keston Power Wall, Inc. and began collecting total disability benefits in June 2007, from the Motorist Insurance Group. However, Johnson was employed by Thornton Rental and Real Estate Company from August 2007 until October 2007 and submitted documents in support of his claim indicating he was not employed resulting in a theft of benefits.

Padded Claim Results in Prison Sentence



Mark Zimmerman pled guilty to one count of Insurance Fraud (F3), Criminal Attempt/Theft by Deception (F3) and Unsworn Falsification to Authorities (M2) in Cumberland County and on September 1, 2009, was sentenced to serve 6 days to 23 months incarceration and ordered to pay a fine of \$150 and all court costs.

Mark Zimmerman reported to the West Shore Regional Police Department that a black vinyl bed cover, 2 dark blue vinyl pontoon boat covers and a Meyer's snowplow frame/mount were stolen from the bed of his truck. Zimmerman then filed a claim with the Allstate Insurance Company adding that a Meyer's 7 ½ foot snowplow blade was taken from his truck. Our investigation revealed that the Meyer's snowplow frame/mount and the Meyer's 7 ½ foot snowplow blade, valued at \$9,550, were not stolen.

House Arrest Handed Down For Workers' Compensation Fraud



On September 11, 2009, Cayetano Perez-Diaz pled guilty to one count of Workers' Compensation Insurance Fraud (F3) in Lackawanna County and was sentenced to serve 3 months house arrest followed by 3 years probation and ordered to pay restitution of \$14,647.10 and all court costs.

Perez-Diaz was injured at work and began receiving Temporary Total Disability payments from September 9, 2007 thru July 10, 2008, from the State Workers Insurance Fund (SWIF). During that same time period, Perez-Diaz was working at Dunbar's Evergreen Landscaping and in support of his claim, submitted verification to SWIF stating that he was not working during this time period.



- On September 1, 2009, Patty Huemme-Gruenemeier was arrested in Luzerne County. According to the Criminal Complaint, Huemme-Gruenemeier was receiving total disability benefits since November 13, 2002, as a result of a work-related injury which occurred in NC. In 2003, Huemme-Gruenemeier moved to PA and continued to receive total disability benefits. Huemme-Gruenemeier sent NC official disability forms from PA reporting that she was not working or employed. The Complaint further stated that Huemme-Gruenemeier worked for a restaurant and Wal-Mart from November 1, 2006 to September 19, 2008, and received approximately \$21,307.92 in workers' compensation benefits. Huemme-Gruenemeier also allegedly filed for unemployment compensation benefits on June 11, 2008, completed a form stating that she was not receiving workers' compensation benefits and, as a result, received approximately \$4,880 in unemployment compensation benefits. Patty Huemme-Gruenemeier has been charged with one count of Workers' Compensation Insurance Fraud (F3) and two counts of Theft by Deception (F3).
- On September 16, 2009, Dean Wonsick was arrested in Cumberland County. According to the Criminal Complaint, Wonsick worked for the Flagger Force, a Harrisburg based construction traffic control company between April 2007 and May 2008, while receiving long term disability benefits through the UNUM Insurance Company. Wonsick allegedly failed to inform the UNUM Insurance Company that he had taken the job with Flagger Force and collected nearly \$16,000 in disability benefits. Dean Wonsick has been charged with one count of Insurance Fraud (F3) and Theft by Deception (F3).
- On September 29, 2009, Sandra Bulischeck was arrested in Washington County. According to the Criminal Complaint,



Bulischeck, while employed at the Community College of Allegheny County, received long term disability benefits from the Standard Insurance Company in the amount of \$28,861. Bulischeck endorsed each check which contained a certification acknowledging that the check represented insurance benefits to which she was entitled and that she made no false statements or claims or concealed any material fact. The Complaint further stated that Standard sent correspondence to Bulischeck at the same address to which the checks were sent, attempting to obtain a health status, but the correspondence went unanswered. Bulischeck allegedly returned to full time employment at her previous occupation at the Community College of Allegheny County on March 31, 2008, and did not notify the Standard. After March 31, 2008, Bulischeck received disability benefits of \$15,190.50. Sandra Bulischeck has been charged with one count of Insurance Fraud (F3) and Theft by Deception (F3).

- On September 10, 2009, Bernard Holmes was arrested in Montgomery County. According to the Criminal Complaint, Holmes filed an auto accident claim for \$10,086.91 with the Allstate Insurance Company for an accident which involved his SUV and three other vehicles. Holmes allegedly misrepresented the date of the accident to be August 27, 2008, when the accident actually occurred in July, prior to the policy inception date. Bernard Holmes has been charged with one count of Insurance Fraud (F3) and Criminal Attempt/Theft (F3).
- On September 30, 2009, Linda Gerstberger was arrested in Allegheny County. According to the Criminal Complaint, Gerstberger submitted four separate claims to the Combined Insurance Company of America seeking medical and disability benefits for which she claimed she was accidentally injured. Gerstberger was paid benefits on her first two claims. The Complaint further stated that Gerstberger then sought total benefits of \$4,484.00 on two additional claims; however, these benefits were not paid. With the exception of



the fourth claim, Gerstberger submitted documentation purportedly issued by her doctor verifying the treatment, the nature of her injury, and how the injury occurred. It is alleged that neither the doctor nor his staff completed the documentation. Linda Gerstberger has been charged with one count of Insurance Fraud (F3), Theft by Deception (F3), Criminal Attempt/Theft (F3) and two counts of Forgery (M1).

- On September 2, 2009, Mark Powell was arrested in Bucks County. According to the Criminal Complaint, Powell made five auto claims with the Liberty Mutual Insurance Company in which he reported damage to his car from four separate incidents occurring in August, September, October, and November of 2008. Liberty's appraiser examined his car days after the November incident and concluded that the damage was not new. Liberty Mutual paid Powell for his August, September and October claims, but denied his November claim. The Complaint further stated that the photographs of Powell's car taken in connection with each claim revealed that the damage from each alleged incident was the same and that Powell admitted to investigators that the September, October and November incidents did not occur. Mark Powell has been charged with four counts of Insurance Fraud (F3), three counts of Theft by Deception (1-F3 & 2-M1) and one count of Criminal Attempt/Theft (M1).



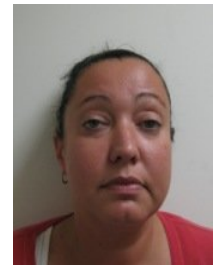
- On September 22, 2009, Michael Gori was arrested in Washington County. According to the Criminal Complaint, Gori obtained a commercial auto policy from the Progressive Insurance Company to cover a total of sixteen vehicles that were associated with businesses that he operated. Gori told Progressive that he operated a retail and wholesale business that involved a lot of deliveries. However, Gori allegedly failed to disclose that he was actually renting vehicles to others and one of



the rented vehicles was subsequently involved in an accident. At that time, Gori allegedly told Progressive that the driver was one of his employees when, in reality, the driver was a renter. The Complaint stated that Progressive would not have insured Gori's risk if they had known about his rental business. Michael Gori has been charged with one count of Insurance Fraud (F3), Insurance Fraud (M1) and Theft by Deception (M1).

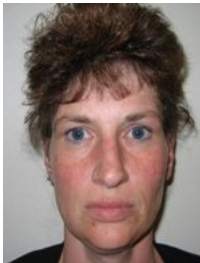
- On September 22, 2009, Victoria Silvis was arrested in Crawford County. According to the Criminal Complaint, Silvis added collision and comprehensive coverage to her existing automobile policy with the Unitrin Insurance Company following a hailstorm that occurred on July 26, 2008. Thereafter, Silvis filed a claim for damages caused to her vehicle by the hailstorm by allegedly misrepresenting the date of the storm's occurrence in an attempt to bring it within the newly obtained coverage period. Victoria Silvis has been charged with one count of Insurance Fraud (F3) and Criminal Attempt/Theft (M1).

- On September 14, 2009, Lorrie Benson was arrested in Blair County. According to the Criminal Complaint, Benson called in unauthorized prescriptions to various pharmacies for Vicodin and Percocet while employed as a medical assistant on various dates between July 2008 and April 2009. Benson allegedly utilized the doctor's DEA number without his knowledge or authorization. The Complaint further stated that after calling in the unauthorized prescriptions, Benson would go to the various pharmacies' drive thru and utilize her Highmark Insurance card to pay for the prescriptions. In addition, Benson allegedly took patient co-payments for herself and failed to deposit them in the doctor's account. Lorrie Benson has been charged with one count of Insurance Fraud (F3), Drug Act Violations (F), Forgery (M1) and Theft by Failure to Make Required Disposition of Funds Received (M1).






CONVICTIONS

- Julius Widmann pled guilty to one count of Insurance Fraud (F3) in Cambria County. Widmann was an excluded driver under his mother's policy with the Progressive Insurance Company. Widmann reported to Progressive that his girlfriend was operating the vehicle when it became submerged in water, ruining the engine when, in fact, Widmann was actually operating the vehicle at the time it was damaged. On September 21, 2009, Julius Widmann was sentenced to serve 7 years probation and ordered to perform 50 hours of community service, pay a fine of \$1,500 and all court costs.
- Terri Jones pled guilty to one count of Theft by Deception (M1) in Armstrong County. Jones, while employed as a receptionist in a doctor's office, called in seven prescriptions for Vicodin for herself and three family members, most of these prescriptions had two or three refills. The claims were submitted to the Highmark Insurance Company. Our investigation revealed that these prescriptions were not authorized by the doctor. On September 29, 2009, Terri Jones was sentenced to serve 3 years probation and ordered to perform 100 hours of community service, pay a fine of \$500 and all court costs.
- David Willis pled guilty to one count of Theft by Deception (M1) and False Reports to Law Enforcement (M3) and Phalith Louanphom pled guilty to one count of Theft by Deception (M1) in Delaware County. Willis and Louanphom reported their vehicles stolen to the police and submitted a claim to the Erie Insurance Company and the Progressive Insurance Company respectively. Willis and Louanphom's vehicles were recovered, as well as the keys to the vehicles, inside a container on board a ship set to sail to Nigeria. Willis and Louanphom arranged to have their vehicles stolen and then falsely reported the thefts to the police. On September 21, 2009, David Willis was

sentenced to serve 2 years probation and ordered to perform 200 hours of community service, pay restitution of \$8,208.74 and all court costs. On September 14, 2009, Phalith Louanphom was sentenced to serve 2 years probation and ordered to perform 200 hours of community service, pay a fine of \$1,000 and all court costs.

- Dorothy Nesmith pled guilty to one count of Insurance Fraud (F3) in Beaver County. Nesmith filed a claim with the Geico Insurance Company and reported that her vehicle was vandalized. Geico received an estimate of repair from an auto body shop and issued a check, made out to Nesmith and the auto body shop, in the amount of \$1,989.60 for the purpose of making the repairs. Nesmith subsequently submitted an affidavit of missing and unauthorized endorsement to Geico denying receipt of the Geico claim check. Our investigation revealed that Nesmith was identified as cashing the lost check at Freedom United Federal Credit Union. The check had included the unauthorized endorsement of Robison Auto Body. On September 2, 2009, Dorothy Nesmith was sentenced to serve 2 years probation and ordered to perform 75 hours of community service and pay all court costs.
- Eric Beulah pled guilty to one count of Insurance Fraud (F3) in Lancaster County. Beulah filed a third party claim against the Donegal Insurance Company after his 1993 Mercedes was totaled in an accident by another vehicle. Beulah submitted fraudulent documents to Donegal in an attempt to obtain lost wage benefits and monetary reimbursement for a rental car. Our investigation revealed that the rental car company did not exist and that Beulah had forged his wife's signature on the wage and employment documentation. Beulah also submitted a forged document to Donegal which purported to verify that the loan on Beulah's totaled Mercedes had been satisfied, even though he still owed approximately \$3,400. Relying upon the fraudulent documentation, Donegal issued a check to

Beulah in the amount of \$4,670. On September 8, 2009, Eric Beulah was sentenced to serve 2 years probation and ordered to perform 50 hours of community service, pay a fine of \$500, restitution of \$2,000 (paid prior to plea) costs of \$595.81 to OAG and all court costs.

- Kyle Williams pled guilty to one count of Criminal Attempt/Theft by Deception (M1) in Montgomery County. Williams was involved in a two vehicle accident but did not report the accident to the Progressive Insurance Company. Progressive was notified by the driver of the other vehicle and went to Williams' residence and took photographs of the damage to the vehicle. Approximately two weeks later, Williams submitted a claim reporting his vehicle had been stolen and the vehicle was subsequently recovered from a parking lot with no signs of forcible entry and the key on the seat. However, Williams claimed that all the damage to the vehicle occurred after the vehicle's alleged theft when, in fact, it occurred two weeks earlier pursuant to the accident reported by the other driver and would not have been covered under Williams' existing policy. On September 24, 2009, Kyle Williams was sentenced to serve 2 years probation and ordered to pay all court costs.
- Gary Ruby pled guilty to one count of Insurance Fraud (F3) in Fayette County. Ruby, at the request of the owner, took and burned a car so that the owner could submit an insurance claim to the Viking Insurance Company. Viking paid the owner of the vehicle for the loss and the owner paid Ruby for burning the car. On September 21, 2009, Gary Ruby was sentenced to serve 2 years probation and ordered to pay a fine of \$400 and all court costs.



[\(ARD\) DISPOSITIONS](#)

During the month of September, three additional defendants received Accelerated Rehabilitative Disposition (ARD).

PENNSYLVANIA FRAUD REPORTING REQUIREMENTS

The insurance industry has a corporate responsibility to report fraud. When a reasonable basis exists that insurance fraud has occurred, you should report that suspected fraud to a criminal law enforcement agency.

The Insurance Department has issued guidelines setting forth your responsibility for reporting fraud.

Simply reporting fraud to an information system serving the industry does not meet your obligation. In Pennsylvania, fraud must be reported to a Federal, State or local law enforcement agency.

The Office of Attorney General's Insurance Fraud Section is the largest law enforcement entity in Pennsylvania vested with the specific authority to investigate and prosecute insurance fraud.

Insurance Fraud is a serious and very costly crime. As corporate citizens, it is your responsibility and obligation to assist law enforcement in combating this crime. Together, we can reduce the economic and societal impact of this costly crime.

Report suspected fraud to the Pennsylvania Office of Attorney General online at:

www.attorneygeneral.gov

Additional resources available on our website include:

- Detailed instructions and tips for referring to law enforcement
- Explanation of the basic elements of the offense of insurance fraud
- Pennsylvania Insurance Fraud Statutes and information on how to obtain fraud training materials
- Monthly newsletter that reports on our recent arrests and convictions